

NOTIFICATION OF REQUIRED CHANGES TO THE
UNITED STATES-CHILE FREE TRADE AGREEMENT

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

NOTIFICATION OF CHANGES TO EXISTING LAW REQUIRED TO
BRING THE UNITED STATES INTO COMPLIANCE WITH OBLIGA-
TIONS UNDER THE UNITED STATES-CHILE FREE TRADE AGREE-
MENT, PURSUANT TO PUB. L. 107-210, SEC. 2105(a)(1)(B)



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THE WHITE HOUSE,
Washington, July 3, 2003.

Hon. J. DENNIS HASTERT,
Speaker of the House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: On June 6, 2003, the United States Trade Representative signed the United States-Chile Free Trade Agreement on behalf of the United States. Consistent with section 2105(a)(1)(B) of the Trade Act of 2002 (Public Law 107-210), I am submitting a description of the changes to existing laws, prepared by my Administration, that would be required to bring the United States into compliance with that Agreement.

I look forward to working with the Congress in developing legislation to implement this important Free Trade Agreement.

Sincerely,

GEORGE W. BUSH.

CHANGES TO EXISTING LAW REQUIRED TO BRING THE UNITED STATES INTO COMPLIANCE WITH OBLIGATIONS UNDER THE UNITED STATES-CHILE FREE TRADE AGREEMENT

The United States must amend several drawback-related statutes in order to comply with Article 3.8 of the United States-Chile Free Trade Agreement (“the Agreement”). In particular, amendments must be made to sections 311–313 and 562 of the Tariff Act of 1930 (19 U.S.C. §§ 1311–1312 & 1562), and section 3(a) of the Act of June 18, 1934 (commonly known as the “Foreign Trade Zones Act”) (19 U.S.C. § 81c(a)). These amendments will limit the amount of duty drawback that may be paid to an exporter of certain goods to Chile beginning 8 years after the Agreement enters into force. Beginning 11 years after the Agreement enters into force, the amendments will provide that, with limited exceptions, no drawback will be available for exports to Chile.

The United States must amend section 13031(b) of the Consolidated Omnibus Reconciliation Act of 1985 (19 U.S.C. § 58c(b)). The amendment will exempt imports qualifying as “originating goods” under the Agreement from certain customs user fees, as required by Article 3.12(4) of the Agreement.

The United States must amend section 592(c) of the Tariff Act of 1930 (19 U.S.C. § 1592(c)). The amendment will exempt an importer from penalties for an improper claim that a good qualifies as an originating good under the Agreement, provided that the importer voluntarily corrects the improper claim. This amendment is necessary to comply with Article 4.16(4) of the Agreement.

The United States must amend section 508 of the Tariff Act of 1930 (19 U.S.C. § 1508) to require U.S. producers and exporters that issue certificates stating that goods qualify as originating goods under the Agreement to keep copies of such certificates and supporting documents and information for at least 5 years and render them for examination and inspection by U.S. customs officials, upon request. This amendment is necessary to comply with Article 4.15 of the Agreement.

Also to comply with Article 4.15, the United States must amend section 592 of the Tariff Act of 1930 (19 U.S.C. § 1592) by adding a new subsection addressing false certifications by U.S. exporters and producers that goods qualify as originating goods under the Agreement. The amendment will provide for the imposition of penalties for such false certifications, with exceptions for immediate and voluntary disclosure of incorrect information to every person to whom a false certificate of origin was issued (as required by Article 4.15(3) of the Agreement).

The United States must amend section 520(d) of the Tariff Act of 1930 (19 U.S.C. § 1520(d)) to provide that, where a good qualifying as an originating good under the Agreement is imported into the United States, the importer has up to 1 year from the date of

importation to claim preferential tariff treatment under the Agreement for that good. This amendment is necessary to comply with Article 4.12(3) of the Agreement.

The United States must amend sections 101(a)(15) and 214(g) of the Immigration and Nationality Act (8 U.S.C. §§ 1101(a)(15) & 1184(g)). The amendments will permit Chilean nationals qualifying as “professionals” under the Agreement to enter the United States temporarily, as required by Section D of Annex 14.3 of the Agreement.

